



City of Hopewell & Crater Small Business Development Center Small Business Resources Video Call Recap April 8, 2020

Information provided in this recap was provided on April 8, 2020. Since all of these programs are tied to federal legislation, anything mentioned in this recap is subject to change.

Paycheck Protection Program: This is currently the most popular SBA program, with over \$90 billion in loans already approved.

- Not all banks have all of the information for this loan program yet. However, businesses should apply as soon as possible since this loan program is “first come first served.” Once the money runs out for this program, no more loans will be approved.
 - President Trump is pushing for \$250 billion more to be added to this program, to bring the total program budget to \$600 billion.
- Faith-based organizations are eligible to apply for this loan program.
- There is conflicting information in the bill relating to sole proprietors and independent contractors. Currently, it is recommended that sole proprietors and independent contractors still apply.
- Businesses are allowed to apply for both the Paycheck Protection Program and the Economic Injury Disaster Loan, but different expenses must be used for each program. (A business cannot say they’re going to use both loan programs to cover their payroll cost.)
- Currently, the loan term is 2 years with a 1% interest rate. However, in the legislation the maximum loan term is 10 years with a 4% interest rate.
- The reporting mechanism for this program is still undecided at this time.

Small Business Debt Relief: This is for businesses who currently have SBA 504 or 7a loan, these payments will be deferred up to 6 months.

- It is written in the legislation that this will apply to new borrowers who apply within 6 months of the date the CARES act was signed, March 27, 2020.

Economic Injury Disaster Loan and Emergency Economic Injury Disaster Grants

- The deadline to apply for this program is December 21st, 2020, but this is also a first come, first served program so it is recommended that businesses apply as soon as possible.
- The maximum loan term is 30 years with a 3.75% interest rate for businesses, 2.75% interest rate for non-profits.
- Sole proprietors and independent contractors are eligible for this program.

- The Emergency Economic Injury Disaster Grant is referring to the UP TO \$10,000 loan advance. This advance/grant has to be used solely on payroll expenses. Businesses will need to fill out their bank information on the EIDL application so that this advance/grant can be direct deposited into their bank account.
 - This advance/grant is UP TO \$10,000, so businesses should not expect to get approved for the full \$10,000.

Payroll Tax Credit

- This is meant for those businesses who are too large to apply for the Paycheck Protection Program.
- The application deadline for this program is December 31st, 2020.
- Businesses cannot utilize both this program and the Paycheck Protection Program.

Payroll Tax Deferment: Businesses can defer paying payroll taxes (less Medicare tax). Businesses would pay half of their owed payroll tax on December 31, 2021 and the second half on December 31, 2022.

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The city of Hopewell and the Crater Small Business Development Center will be hosting another Small Business Resources video call on Wednesday, April 15, 2020 at 6pm to discuss updates and changes to these programs. Please register thru this link to participate in the video call: <https://zoom.us/join/zoom/register/uZ0pceipqTkvvnmX-6yMUOE6KTPNwcn2qA>.